

ORIGINAL

**Application of
Carolina Water Service, Inc.
for approval of an increase in its
rates for water service for all its
service areas and for sewer service
for certain of its service areas.**

Docket No. 2000-207-W/S

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6/28/00
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**Testimony of
William O. Richardson
Utilities Department**

Public Service Commission of South Carolina

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

2 **A.** William O. Richardson, 101 Executive Center Drive, Columbia, South Carolina
3 29210. I am employed by the Public Service Commission of South Carolina,
4 Utilities Department, as an Engineer Associate.

5 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND**
6 **EXPERIENCE.**

7 **A.** I received a Bachelor of Science Degree in Electrical and Computer Engineering
8 from Clemson University in 1975. After graduation I was employed by Daniel
9 Construction Company as an Electrical Engineer in the Power Division. In
10 1978 I was employed by this Commission as an Engineer Associate II. I have
11 attended various courses and seminars related to engineering, life analysis and
12 accounting relationships. I have testified before this Commission in other
13 proceedings involving fuel adjustment clauses, purchased gas adjustments,
14 and rate case proceedings of electric, water and wastewater utilities.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
16 **PROCEEDING?**

17 **A.** The purpose of my testimony is to set forth, in summary form, the Staff's
18 findings relative to the determination of the amount of additional operating
19 revenues that would result from the implementation of the proposed
20 schedules of rates and charges.

21 **Q. I SHOW YOU THE REPORT, TITLED, "COMMISSION STAFF REPORT,**
22 **CAROLINA WATER SERVICE, INC., SOUTH CAROLINA PUBLIC**
23 **SERVICE COMMISSION, DOCKET NO. 2000-207-W/S." ARE THE**
24 **FINDINGS OF YOUR REVIEW CONTAINED IN THIS REPORT?**

25 **A.** Yes, they are contained under the Utilities Department tab.

26 **Q. PLEASE EXPLAIN HOW YOU COMPILED THE INFORMATION IN YOUR**
27 **REPORT.**

28 **A.** By using the information provided by the Company in its Application and the
29 Company's responses to Staff's Data Requests and an audit of the Company's

books and records, Staff was able to determine the amount of additional operating revenues which would be produced by the proposed rates.

Q. PLEASE EXPLAIN EXHIBIT NO. 1 OF YOUR REPORT.

A. Exhibit No. 1, page 1, is a summary of the changes to the rates since the last rate case order, pages 2-16 are the currently approved rates and the proposed rates.

Q. PLEASE EXPLAIN EXHIBITS NO. 2 AND 3 OF YOUR REPORT.

A. Exhibit No. 2, on page 17 of the report summarizes the effect of the present and proposed rates on the Company's operating revenue. Under the present rates approved for Carolina Water Service, Inc. by Commission Order No. 94-484 and subsequent orders, 98-163, 98-369 and 96-590, the Company's present revenue is \$4,919,707. Using the proposed rates, the Company would receive \$5,604,770, resulting in an increase of \$685,063 or an increase of 13.92%. Exhibit No. 3, on page 18, summarizes the effect of the proposed rates and charges on a customer's average water and sewer bill for the different areas served by the Company. This exhibit also shows the charges for bulk water or sewer services charged by a bulk supplier. The rates for bulk water and sewer are "pass through" amounts and are not established by this Commission. In the I-20 area the Company has a bulk water agreement with the City of West Columbia, in the Lexington area the Company has a bulk water agreement with the Lexington County Joint Municipal Water and Sewer Commission, and in the Riverhills area the Company has a bulk water and sewer agreement with York County.

Q. PLEASE EXPLAIN EXHIBIT NO. 4.

A. Exhibit No. 4 is a review of service provided by the Company. As noted on Exhibit No. 4, the Commission Staff received 13 billing complaints and 11 service complaints during the test year.

Q. DOES THAT CONCLUDE YOUR TESTIMONY?

A. Yes it does.